

**MINUTES OF THE BOARD OF DIRECTORS' BOARD MEETING AND PUBLIC HEARING
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

TUESDAY SEPTEMBER 11, 2018

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

Members Present: Ronny Young, Maurice Schwanke, Ron Sellman, Evan Groeschel, Allen Knight, Chris Boyd, David Flusche, Joe Helmberger, and Thomas Smith (arrived at 10:12)

Members Absent:

Staff: Drew Satterwhite, Paul Sigle, Wayne Parkman, Allen Burks, Debi Atkins, Theda Anderson, Carolyn Bennett, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
Pete Schulmeyer, Collier Consulting
Neal Welch, City of Sanger
Bob Patterson, Northern Trinity GCD

1. Pledge of Allegiance and Invocation

President Ronny Young led the group in the Pledge of Allegiance and provided the invocation.

2. Call to order, establish quorum; declare meeting open to the public

President Young called the meeting to order 10:02 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment

There were no citizens present requesting to appear before the Board of Director for public comment.

4. Consider and act upon approval of the minutes from the July 10, 2018 board meeting

Motion was made by Ron Sellman to approve the minutes of the July 10, 2018 meeting. The motion was seconded by Evan Groeschel, and passed unanimously.

5. Consider and act upon approval of invoices and reimbursements

After review and brief discussion Allen Knight made the motion to approve Resolution No. 2018-09-11-01. Ron Sellman seconded the motion. Motion passed unanimously.

6. Receive reports from the following Committees*:

- a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
General Manager Drew Satterwhite reviewed the financial information with the Board.
- b. Investment Committee
 - 1) Receive Quarterly Investment Report
General Manager Drew Satterwhite reviewed the Quarterly Investment Report with the Board. Landmark Bank CD matures November 16, 2018.
- c. Groundwater Monitoring and Database Committee
General Manager Drew Satterwhite informed the Board that the staff will provide a demonstration to the Board after the database is complete.
- d. Management Plan Committee
No Report

7. Consider and act upon authorizing the execution of a Deposit Placement Agreement with Independent Bank.

General Manager Drew Satterwhite provided the Board with background information. When the District was first created, Index and Checking accounts were set up with Independent Bank. The District has utilized these accounts since inception. Recently, the District staff began exploring more opportunities for investment earnings. During this process, the staff discovered that neither staff nor Independent Bank had a copy of a Deposit Placement Agreement.

This agreement sets forth standard account conditions such as who can sign, termination conditions, maximum number of withdrawals, etc.

Independent Bank provided this standard Deposit Placement Agreement. In the process, staff was able to negotiate a 1.25% and 1.65% interest rate increase on the Index and Checking account, respectively.

Board Member Joe Helmberger made the motion to authorize the execution of the Deposit Placement Agreement with Independent Bank. Board Member Maurice Schwanke seconded the motion. The motion passed unanimously.

8. Consider and act upon updating the District's Investment Strategy.

General Manager Drew Satterwhite provided the Board with background information. The District has an Index and Checking account with Independent Bank. At the last meeting, the Board authorized the opening of an account with TexStar. Now that the District has opened a TexStar account, the staff is proposing to use TexStar and the Independent Bank accounts interchangeably. Staff proposes to hold funds in the account with the highest interest rate, moving the funds when appropriate.

Board Member Joe Helmberger made the motion to update the District's Investment Strategy to accommodate this procedure. Board Member David Flusche seconded the motion. The motion passed unanimously.

9. Consider and act upon solicited proposals for audit services.

General Manager Drew Satterwhite provided background information for the Board. For the last 5-years, the District has engaged the auditing firm Hanks, Eastup, Deaton, Tonn & Seay to perform auditing services for the District. Due to their 5-year proposal term being complete, the Board directed the staff to solicit for proposals for audit services at the May 2018 meeting. Four proposals were received from Hankins Eastup Deaton, McClanahan and Holmes, Rutherford Taylor & Co, Lafollett & Abbott. The Board discussed the proposals and decided to change firms and not just lead auditor.

Board Member Thomas Smith made the motion to go with McClanahan and Holmes for audit services. Board Member Joe Helmberger seconded the motion. The motion passed unanimously.

10. Update and possible action regarding the process for the Development of Desired Future Conditions (DFCs)

General Manager Drew Satterwhite reported that the GMA-8 RFQs for administrative and technical consultant are due October 1. NTGCD is providing administrative services to the GMA.

11. Consider and act upon compliance and enforcement activities for violations of District's Rules.

a. Hydrous Americas Cable Park, LLC

Kristen Fancher, Legal Counsel, reported that Hydrous Americas Cable Park, LLC is not in compliance, therefore legal action will continue.

12. General Manager's Report: The General Manager will update the Board on operational, educational and other activities of the District.

General Manager Drew Satterwhite reported total number of registered wells in NTGCD is 2,248. The vehicle purchase process is continuing.

Paul Sigle handed out maps showing monitoring well candidates and injection well locations. After the first of the year, the board will take a look at the new database.

13. Receive presentation regarding permanent rules development and review of rules amendment draft.

a. Consider and act upon action items for rules development

Kristen Fancher, Legal Counsel, reviewed the draft of the permanent rules with the Board. The Board discussed items and made several comments for additions and amendments to the current set of draft rules.

14. Open forum/discussion of new business for future meetings

The Public Hearing for the Permanent Rules will be held on October 9, 2018. This will allow for the 20 day in advance newspaper and county posting notifications.

